
**EXPLANATORY NOTES TO THE
PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION
Heijmans N.V.,
having its official seat in Rosmalen, The Netherlands.**

as it will be presented at the Company's Annual General Meeting of Shareholders
to be held on 10 April 2019 for its approval.

ALLEN & OVERY

Office translation

In preparing this document, an attempt has been made to translate as literally as possible without jeopardizing the overall continuity of the text. Inevitably, however, differences may occur in translation, and if they do, the Dutch text will govern by law.

In this document, Dutch legal concepts are expressed in English terms and not in their original Dutch terms; the concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

EXPLANATORY NOTES TO THE PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION OF HEIJMANS N.V., as it will be presented for a decision at the Annual General Meeting of Shareholders, to be held on 10 April 2019

These explanatory notes should be read together with the explanation of the agreement on the downward revision of the dividend for the financing preference shares B that is included in the explanatory notes to the agenda of the Annual General Meeting of Shareholders (agenda item 6).

1. Amendments in relation to the agreement on the downward revision of the dividend for the financing preference shares B

Article 10 paragraph 3 letters a., b. and c. are amended:

Wording is added to the last sentence of letter a. to clarify that, in the event of a cancellation of financing preference shares B with repayment of the amount of premium paid at the issuance of these shares, this amount of premium will be adjusted downwards for any amounts that have already been distributed to the holders of financing preference shares B at the expense of the share premium reserve that is maintained for the financing preference shares B.

The amendment to letter b. allows the Executive Board to, with the approval of the Supervisory Board, resolve to pay the dividend coupon in the form of ordinary shares in the capital of Heijmans, which is in accordance with the terms of the agreement that was reached between the holders of the financing preference shares B and Heijmans.

The proposed amendment to letter c. reflects the agreement between Heijmans and the holders of financing preference shares B that these ‘make whole’ payments that serve as compensation for the loss of future coupon payments, shall only be made in the event of a change of control of Heijmans that is the result of a public offer that is declared unconditional.

Article 31 paragraphs 3, 6 and 7 are also amended:

Paragraph 3 is amended since the current dividend percentage is determined for a period of five years ending on 31 December 2023 so that the first adjustment of this dividend percentage will now no longer be on 1 January 2019 but five years after this date and therefore on 1 January 2024.

Paragraph 6 is amended to allow the Executive Board to, with the approval of the Supervisory Board, resolve to make a distribution to the holders of financing preference shares B at the expense of the share premium reserve that is maintained for these shares.

The financing preference shares B previously contractually anticipated no repayments. Motivated by Heijmans’ ambition to further deleverage its capital structure and optimise its cost of finance, it has achieved an agreement with the preference shareholders to be able to reduce the outstanding capital

over the next five years.¹

Repayment of the share premium that was paid on the financing preference shares B is one of the key terms of the agreement for the adjustment of the dividend percentage that has been reached with the holders of these shares. These repayments at the expense of the share premium reserve that is maintained for the financing preference shares B will in any event be made by using the cash that becomes available now the dividend that is to be paid on the financing preference shares B is no longer paid in cash but in ordinary shares in the capital of Heijmans.

In addition, the following mechanisms for repayment have been agreed whereby no repayment penalty applies:

- *As soon as Heijmans resumes its dividend distribution to ordinary shareholders, half of the total amount paid to ordinary shareholders will be allocated to the repayment of the financing preference shares B as share premium; and*
- *As soon as the solvency based on the guaranteed capital exceeds 30% (as reported in the annual report in each future year) and Heijmans elects to pay a dividend in respect of the relevant year, an additional repayment by way of share premium will take place on the financing preference shares B at the level of the dividend coupon payable of the previous year.*

In the event of a distribution of dividend, shareholders are in principle entitled to a cash payment. However, a company's articles of association may stipulate that the general meeting or any other corporate body of the company can resolve that the dividends are instead paid in the form of a stock dividend, so in the form of shares in the capital of the company. To paragraph 7 a sentence is added to clarify that the Executive Board, with approval of the Supervisory Board, may resolve that going forward the dividend coupon that is paid on the financing preference shares B will be paid in the form of ordinary shares in the capital of Heijmans. The preceding sentence is without prejudice to the fact that the Executive Board, with the approval of the Supervisory Board, can only resolve to the issuance of the ordinary shares if the Executive Board has been nominated by the General Meeting as the competent body to resolve to (i) the issue of ordinary shares and (ii) the restriction or exclusion of preferential rights of subscription of the shareholders in connection with such an issuance.

Finally, certain amendments are proposed to the Dutch text of the Articles of Association to ensure a more consistent use of the definition of "financing preference shares B" throughout the Articles of Association.

2. Power of attorney

The proposal also includes granting a power of attorney to every member of the Executive Board, the company secretary, and every civil-law notary (and deputy civil-law notary), paralegal and notarial assistant at Allen & Overy LLP, Attorneys at Law, Civil-Law Notaries and Tax Consultants, in Amsterdam, The Netherlands to have the notarial deed of amendment of the Articles of Association executed.

¹ The updated text in Italics intends to provide additional context to these explanatory notes by copying the description of the agreement with the preference shareholders as included in the (explanatory notes to the) press release of 21 January 2019. The text of the draft resolution that will be submitted to the General Meeting for approval has not been amended.

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